State of Vermont ERP Expansion Project Kickoff Overview

June 7, 2011

ERP Expansion Project Agenda

Topic	Presenter	
➢ Welcome and Introductions	Deputy Secretary Clasen	5 min
➢ Opening Comments	Governor Shumlin	5 min.
➢ Opening Comments	Secretary Spaulding	5 min.
➢ Opening Comments	Steve Lange	5 min.
➢ Introductions	Mike Rubilotta	5 min.
➢ ERP Expansion Overview	Mike Rubilotta	30 min.
➢ Project Goals		
➢ Project Scope		
➢ Project Timeline		
➢ Roles and Responsibilities		
➢ Project Expectations		
➢ Communications		
➢ Questions	Mike Rubilotta	5 min.

Opening Comments

ERP Expansion Project Agenda

***Today's Objectives*:**

- **Introduction of CherryRoad**
- **Overview of the ERP Expansion Project**
- **ERP Expansion Team Orientation**

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ERP Expansion Project Goals

- Upgrade current PeopleSoft HCM 8.8 to 9.1.
- Minimize 9.1 customizations.
- Implement PeopleSoft delivered functionality for existing modules
- Implement PeopleSoft delivered functionality to the greatest extent possible for new modules.
- Evaluate current business processes and implement efficiency improvements.
- Achieve the specific objectives of eliminating the Paradox time and expense capture system.

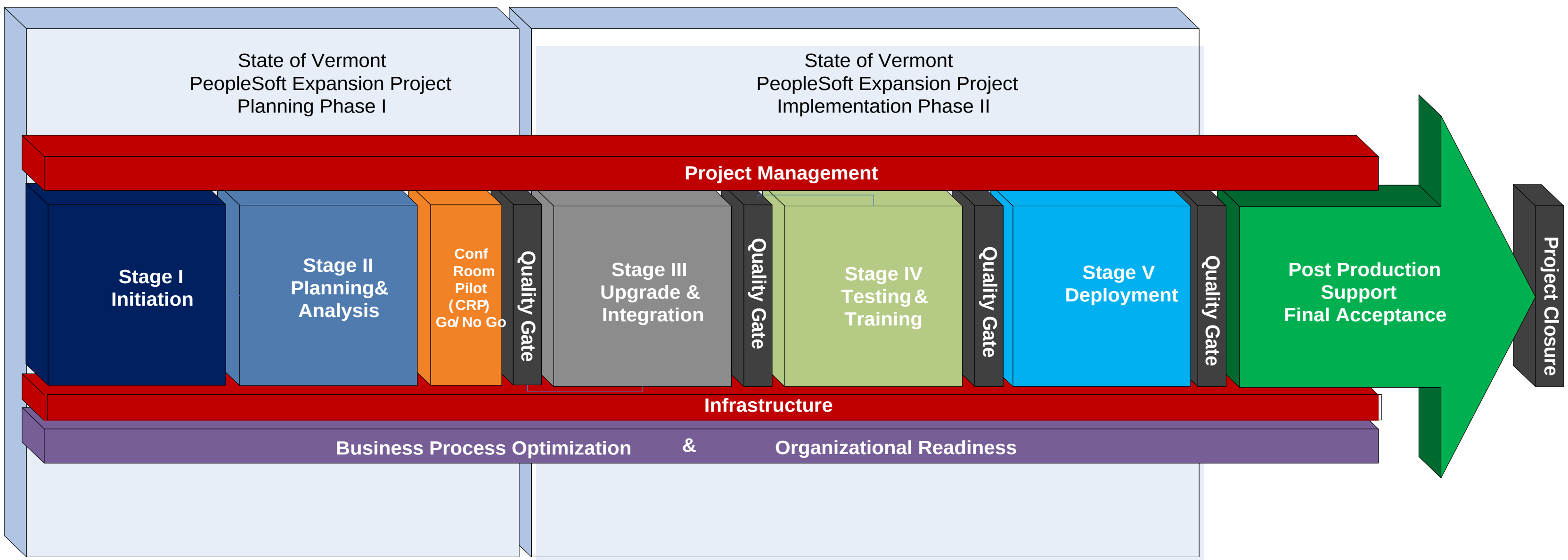
VERMONT ERP Expansion Project Scope

Business Process Optimization / Change, Communications and Training

HCM Module Upgrades (8.8 to 9.1)	HCM Module Enhancements (9.1)	HCM Module Implementation (9.1)	Fin. Module Implementation
Workforce Administration	eProfile	eProfile Manager Desktop	Employee Expenses
Payroll	ePay	Time & Labor	
Enterprise Learning			
Recruit Workforce	Talent Acquisition Management Candidate Gateway		
Base Benefits		Absence Management Benefits Administration*	Chart of Accounts

* Under consideration being analyzed

ERP Expansion Project Approach



ERP Expansion Project Phase I Timeline
May 9, 2011 – Dec. 31, 2011

Project Management
- Preliminary Project Plan, Project Standards and Procedures, Project Plan Updated, Project Scope Document

Application Upgrade
- Run Compare Reports

Functional
- Requirements, fit/Gap Analysis, Gap Resolution, Training Room Pilot

Development
- Interface Retrofit Requirements, Custom Retrofit Requirements, Report Retrofit Requirements

System Administration
- Security Requirements, Workflow Requirements

Infrastructure
- Infrastructure Assessment, Project Infrastructure Prepared, Oracle Application Installation

Organizational Readiness
- Leadership & Goal alignment, Project Team Kickoff, Organization Readiness Strategy, Change Management Strategy, Communication Strategy, Training Strategy, Training and Logistics Administration

Business Process Optimization
- Business Process Scope, Business Process Issues/Barriers Identification and Mitigation Recommendation, BPO Redesign and Implementation Strategy

ERP Expansion Team

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ERP Expansion Team - State

Governance Structure

Michael Clasen
Jim Reardon
Kate Duffy
Ruth Ann Sullivan

Executive Sponsor

Michael Clasen

Project Directors

Brad Ferland
Molly Paulger
Trudy Marineau
Darwin Thompson

Project Management

Bill Mancinelli

Functional Leads

Shelley Morton	- HR
Nicole Wilson	- Base Benefits
Nicole Wilson/Shelley Morton	- Absence Mgmt.
Matt Krauss/	- Recuritment
Rose Gowdey	- Enterprise Learning
Shelley Morton/Mary Graves	- T & L
Mary Graves	- Payroll
Nancy Collins	- Expense
Nancy Collins/Harold Schwartz	- Chart of Accounts
Nancy Collins/Harold Schwartz	- Reporting

Technical

Trudy Marineau	-Tech Lead
Pam Perry	- Developer 1
Alan Williams	- Developer 2
John Hackney	- Developer 3
Alena Farrell	- Developer 4
Louisa Tripp	- PS Admin/ DBA 1
Lawrence Houston	- PS Admin / DBA 2
Grahame Wright	- PS Admin / DBA 3
Joe Berchick	- PS Admin/ DBA 4
Shannon Spidle	- Security
Michael Morey	- System Architect

Business Process Optimization

Tori Pesek
Gail Rushford

Change Management

Tori Pesek
Gail Rushford

ERP Expansion Team - CherryRoad

Executive Sponsorship
Jeremy Gulban
Steve Lange

Engagement Manager
Mike Rubilotta

Project Management
Mike Rubilotta

Functional Leads

Paul Nielsen	- HR
Evalyn Tyson	- Benefits
Matt Delaney	- Absence Mgmt.
Martin Guinals	- Recruitment
Julie Kennedy	- Enterprise Learning
Matt Delaney	- T & L
Kathi Connell	- Payroll
Paul Nielsen	- Chart of Accounts
Sue Caltri	- Expense

Technical

Chung Pi	-Tech Lead
TBD	- Developer 1
TBD	- Developer 2
TBD	- Developer 3
Chuck Huebner	- PS Admin/Upgrade Spc.
Chung Pi	- Security
Sri Ramachandran	- System Architect

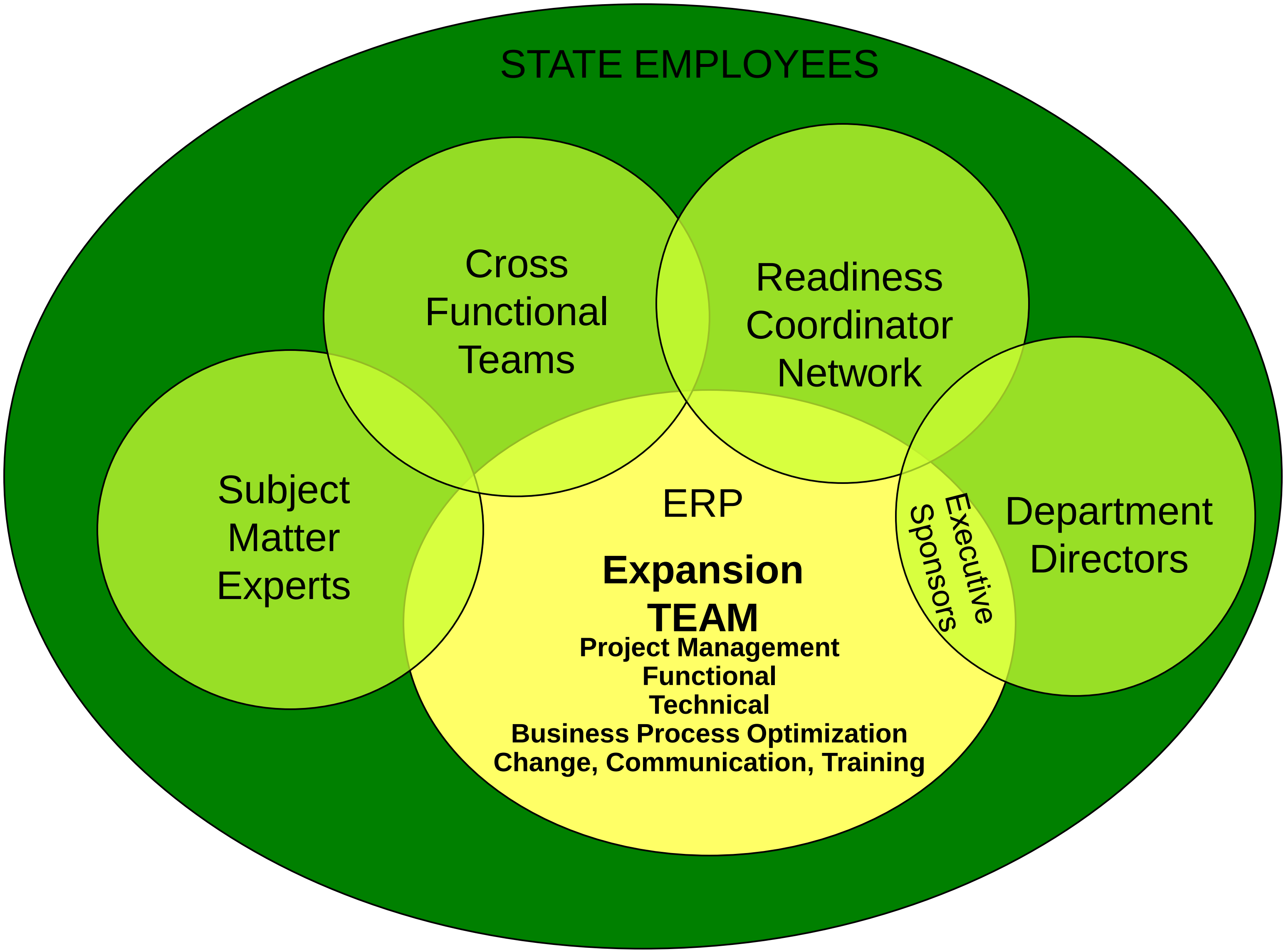
Business Process Optimization
George Schneider

Change Management
Paul Yeager

Roles and Responsibilities

Role	Responsibilities
Executive Sponsor	**Authority for the project**
Engagement Manager	**Project's successful implementation**
Project Directors	**Provides guidance and direction relating to mission critical issues beyond the authority of the Project Team**
Project Manager	**Day to day aspects of the Project including scope, schedule and resources**
Functional Team	**Requirements, Fit/Gap, Configuration, Specifications, Testing, Training**
Upgrade Specialist	**All items relevant to the actual upgrade**
Technical Developers	**Retrofits of customizations, interfaces, reports and workflow, troubleshooting**
Technical Leads	**Organizes technical effort, security, technical guidance**
PS Administrator	**Server configuration, patches & fixes**
System Architects	**Infrastructure Assessment/Sizing Recommendation, Performance Test Plan**
DBA's	**Creation and maintenance of databases environments**
Organizational Readiness	**Organization preparation, communication, training**
Business Process	**Compiles a comprehensive and actionable list of process issues and barriers as well as process recommendations**
Subject Matter Experts (SME's)	**A subject matter expert (SME) is a person who is an expert in a particular area or topic.**

Department Participation



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ERP Expansion Team Expectations

- Remember we are all here for a common aligned goal
- Focus on the greater good approach, statewide solutions
- Think process and cross functional
- Look for commonality
- Actively listen without interruption
- Treat all with dignity and respect
- Weekly Status Reports
- Open Communications
- Timely Decisions

Communications

- **Directors and Sponsor Meetings**
- **Team Meetings**
- **Organizational Readiness Team**
- **CFT Members Liaisons to Departments**
- **Project Website**
  - http://aoa.vermont.gov/erp

Questions ?

Questions ?

ERP Expansion Team

Break

Back in 15 minutes

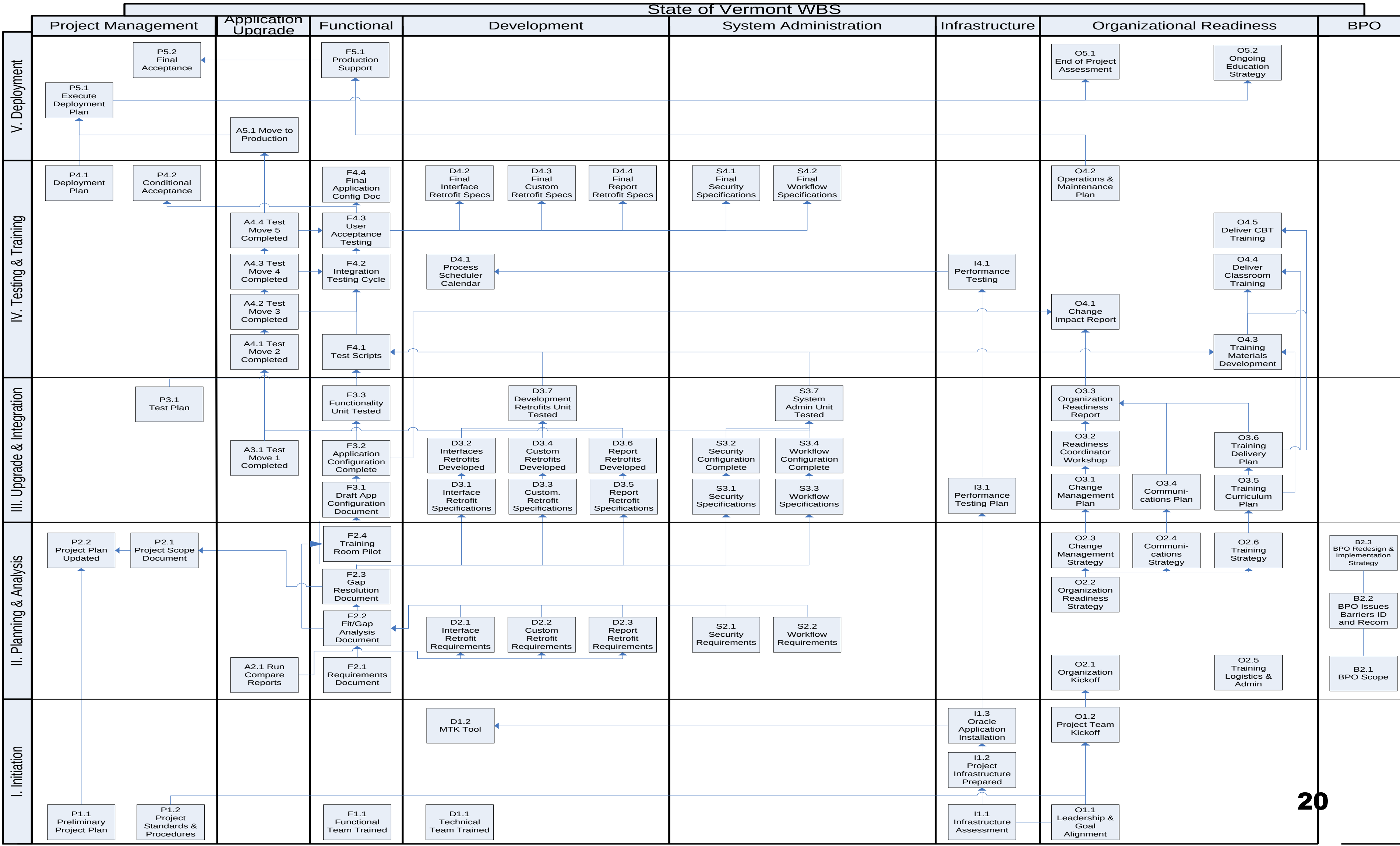
ERP Expansion Project Agenda

Topic	Presenter	
➢ ERP Expansion Team Orientation	Mike Rubilotta	30 min.
➢ Module Overview	Matt Delaney	20 min.
➢ Break	ERP Expansion Team	15 min.
➢ BPO Overview	George Schneider	20 min.
➢ Organization Readiness Overview	Paul Yeager	15 min.
➢ Roles and Responsibilities	Mike Rubilotta	30 min.
➢ Questions	Mike Rubilotta	10 min.

ERP Expansion Team Orientation

- Project Work Breakdown Structure
- Project Rules
- Project Administration and Logistics

Work Breakdown Structure (WBS)



WBS Deliverable Preparation

- CRT Leads populates "S" drive with WBS deliverable structure
- CRT Leads review deliverables with State Leads
- CRT and State work collaboratively on all tasks related to preparing deliverable
- Final deliverables and related project documentation will be populated in SharePoint

ID	Predecessor	Deliverable Name	Deliverable Description	Deliverable Guideline Criteria	State Role	Contractor Role
F2.2	F2.1 D2.1 D2.2 D2.3 D2.4 S2.1 S2.2 S2.3	Fit/Gap Analysis Document	The project team will review delivered Oracle application functionality. For each State requirement, the Contractor will document whether there is a fit or gap between the requirement and the delivered software. The assessment will also identify delivered application functionality that may be deployed as a means of improving business processes. Contractor and the State will mutually agree upon the final list of additional application functions to be implemented. The final scope of Oracle application functionality to be implemented will be consistent with the scope as it is defined herein with the exception of union negotiated changes for FY2012 or federal and State Statutory requirements passed and required to be implemented prior to go-live.	This deliverable is prepared following the Fit/Gap Analysis work sessions. The deliverable is considered complete when the results of the work sessions have been documented in the Fit/Gap Analysis Document, and corresponding issues have been documented in the Issues database. This deliverable is considered complete when the following information has been determined and documented for each of the requirements identified in the Requirements Document deliverable: • Fit/Gap Designation • Clarifying Comments for designated gaps The document itself is an update of the Requirements Document. The final scope of Oracle Application functionality to be implemented will be consistent with the scope as it is defined herein.	Accountable to participate in the Fit/Gap Analysis work sessions. Review and approve scope of new application functions to be implemented, and approve business processes to be changed. Responsible for reviewing and approving the Fit/Gap Analysis Document. Responsible for tracking changes in business rules impacting the project – such as changes from collective bargaining, legislation, and similar actions.	Responsible to lead the Fit/Gap Analysis work sessions. Responsible for recommending application functions to be implemented and business processes to be changed. Responsible for incorporating results of the Fit/Gap Analysis work sessions into the Fit/Gap Analysis deliverable.

WBS Deliverable Approval Process

10/5/5 Review Process

Deliverable documentation is submitted by appropriate leads

A ten (10) business day review period begins the business day following the due date.

The appropriate Project Director will review the deliverable as well as provide written comment and score it for completeness. The completeness rating is as follows:

Completeness Rating

3 = Complete and ready for approval
- Deliverable complete

2 = More detail is required
- CRT has 5 days to revise deliverable and resubmit
- Once resubmitted the State has 5 days to review and assign completeness rating

1 = Incomplete deliverable or deliverable does not exist
- The State and CRT management will reevaluate the deliverable for appropriate action

ERP Expansion Project Tool Kit

Methodology Tool Kit (MTK)

MTK is a broad-based tool with functionality across many methodology activities, including:

- Requirements
- Document Approval
- System Design
- Development
- Testing
- Issues
- Knowledge Transfer
- Security Role Mapping
- Acceptance

Project Administration and Logistics

Shared Drive "S" dii on 'vsms.state.vt.us/shared/aoa' (s:)

- Personal folders, working documents, etc.

Share Point

- Collaboration software helps simplify content management, search and sharing for intranet and internet sites.

Project Plan

- Work Breakdown Structure (WBS) serves as the basis for the detailed project plan

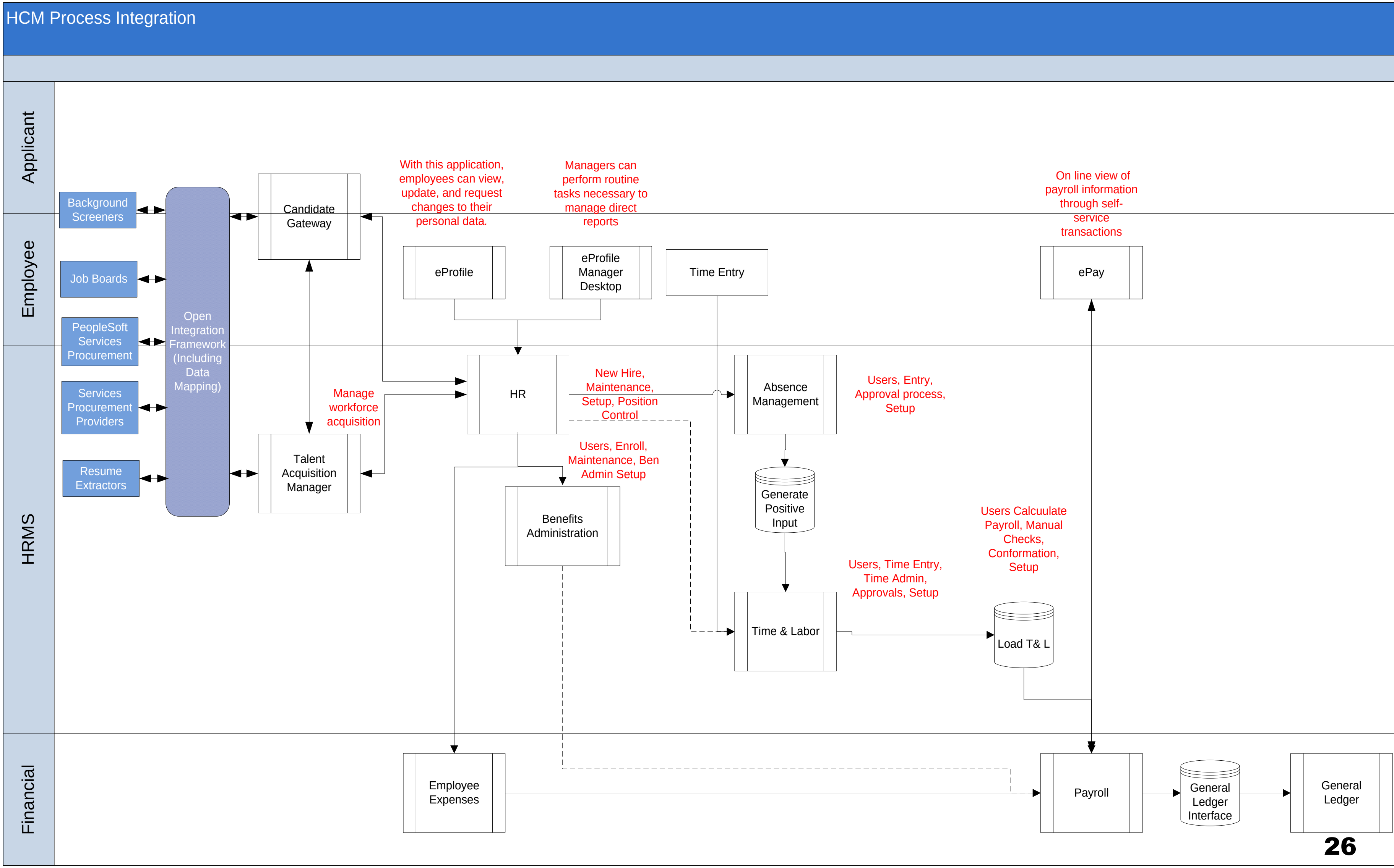
Methodology Tool Kit

- Captures end to end processing (i.e. business requirements through acceptance)

ERP Expansion Project

Module Overview

Process Integration



ERP Expansion Enhanced Core Modules Overview

eProfile Overview

- ➢ eProfile is a collaborative application that enables employees to maintain their own profiles, thereby decreasing administrative time, costs and increasing data integrity.

- Personal Information
- Home/E-Mail Address
- Emergency Contacts
- Marital Status
- Phone Numbers

ERP Expansion Module Overview (New)

eProfile Manager Desktop Overview

- eProfile Manager Desktop is a collaborative application that gives managers greater control over employee information. With eProfile Manager Desktop, managers can perform routine tasks necessary to manage direct reports.

- Review employee information
- Change employees' reporting manager
- Transfer employees
- Promote employees
- Change employees' location
- Change employees' full-time or part-time status
- Terminate employees
- Add and review hires

ERP Expansion Enhanced Core Modules Overview

ePay Overview

➢ On line view of payroll information through self-service transactions

- Set up and view self-service paychecks
- Manage consent for electronic year-end forms
- View year-end forms
- Set up and view direct deposit
- View and update voluntary deductions
- Manage W-4 and W-2 reissue

ERP Expansion Enhanced Core Modules Overview

Candidate Gateway Overview

➢ Candidate Gateway enables internal and external applicants to:

- View information about current job openings in the organization
- Search for job openings that match their interests
- Save job search criteria
- Save job openings
- Use multiple resumes in the job application process
- Submit job applications and resumes for specific job openings
- Submit job applications and resumes without applying to a specific job opening
- Submit employment references, cover letters, and other documents
- Complete online screening questionnaires
- View notifications from recruiters
- View interview schedules
- Maintain and update their name and contact information

ERP Expansion Enhanced Core Module Overview

Talent Acquisition Manager Overview

- Talent Acquisition Manager is a complete, integrated system that enables organizations to effectively manage workforce acquisition across all employment categories. Streams of applicants can be screened, interviewed, and hired quickly and efficiently.

- Create and manage job openings
- Enter and manage applicant information
- Manage job postings
- Search for job openings and applicants
- Screen applicants
- Route applicants
- Manage applicant interviews
- Manage offers
- Prepare applicants for hire

ERP Expansion Module Overview (New)

Time and Labor Overview

- Time and Labor facilitates the management, planning, reporting, and approving of time, and calendar and schedule creation and usage, from one global web-based application.

- Employee Scheduling
- Time Reporting
- Project Tracking
- Pay Policy Enforcement
- Approval Routing
- Payroll Integration

ERP Expansion Module Overview (New)

Absence Management Overview

➢ Defines Leave Entitlements and Absence Events

- Request Absences through Self Service
- Manager Approval Routing
- Time and Labor Integration

ERP Expansion Module Overview (New)

Expenses Overview

- Expenses, includes loading employee data, maintaining employee profiles, loading external information, processing travel authorizations, cash advances, employee expense reports, time reports and posting liabilities, payments and adjustments.

- Employee Self Service Expense Reporting
- Manager Approval Routing
- Payroll Integration
- Project Costing Integration

ERP Expansion Module Overview (New)

Benefits Administration Overview *

➢ PeopleSoft Enterprise Benefits Administration automates Benefits processing through a configurable Rules engine

- Automate eligibility checking and respond to Human Resource events that might impact benefits enrollment, based on your eligibility and event rules.
- Administer multiple, simultaneous plan years, according to enrollment rules that you define.
- Calculate benefit costs and coverage amounts independent of PeopleSoft Enterprise Payroll for North America.
- Define and process a variety of flexible credits, both general and plan-based.
- Establish the foundation for implementing self-service enrollment using PeopleSoft Enterprise eBenefits.

Currently being analyzed and evaluated for implementation

ERP Expansion Team

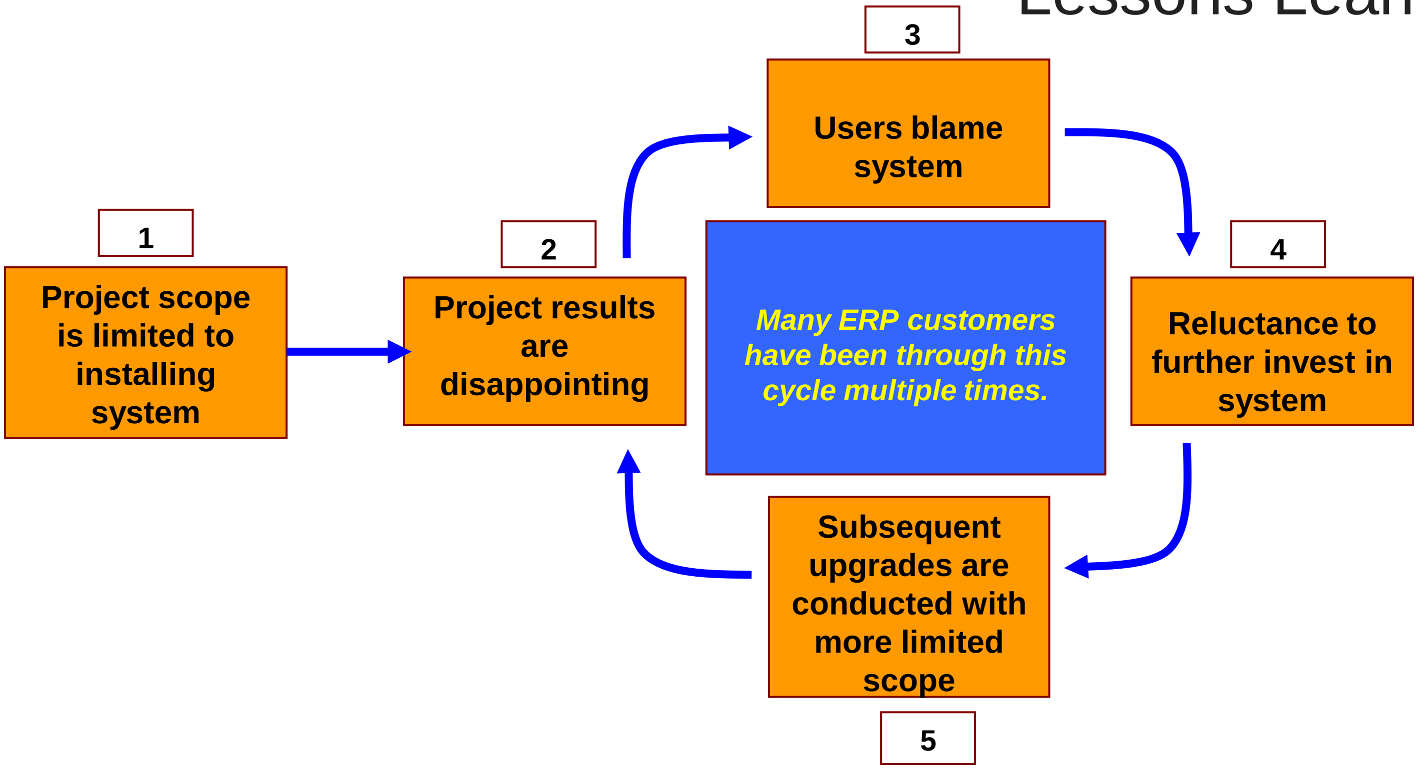
Break

Back in 15 minutes

Understanding Business Process Optimization (BPO)

When BPO isn't addressed…

Lessons Learned



Vermont State's Commitment To BPO and Continuous Improvement Helps Prevent This Problem…

What is BPO?

Business Process Optimization involves:

- Redesigning processes to achieve improved effectiveness
- Redesigning processes to effectively leverage the functionality of available technology
- Typically applied to key business processes

BPO IMPROVES THE EFFECTIVENESS OF OUR HIGH IMPACT PROCESSES INCLUDING TAKING ADVANTAGE OF AVAILABLE PEOPLESOFT TECHNOLOGY
Leads to Best Practices

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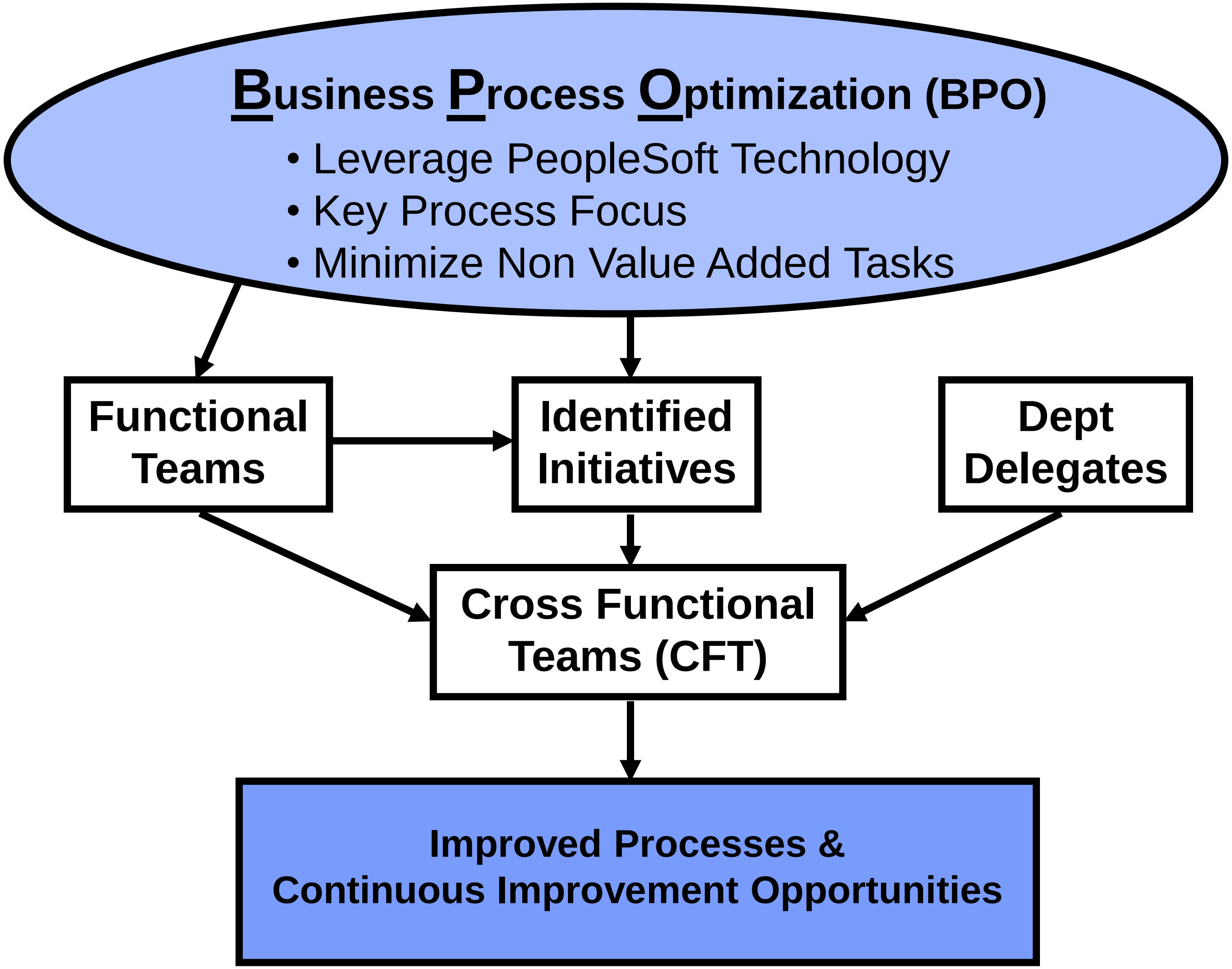
What Benefits Can BPO Provide?

1. Provides more time to focus on customer service
2. Increases employee satisfaction through self-service
3. Contributes to organizational acceptance of continuous improvement
4. Minimizes redundant data and shadow systems
5. Reduces the integration of inefficient processes into ERP implementations
6. Increases time for HR, Payroll, Benefits, and Finance to perform strategic, value-added activities
7. Improves efficiency through workflow and reduced hand-offs

Who benefits from BPO? customers, employees, the enterprise

BPO Structure



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BPO and the Cross Functional Team

- Because a business process may flow across functional lines, the most effective teams are those with representatives from all functions in the process.

- This Cross Functional Team (CFT) approach brings together people with the specific knowledge and skills necessary to achieve the desired improvements.

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Cross Functional Team Operation

IDENTIFIED INITIATIVE (Barriers/Issues)

- Define Scope
- Define Deliverables

DEPT DELEGATES

- Vermont State View
- Consensus Builders
- Utilize SME's as Required
- Champion Process Adoption

ERP Expansion STAFF

- PeopleSoft Knowledge
- Knows Interdependencies
- Technical Considerations

CFT ROLE

- Process Design/Redesign
- "Working" Team
- Leverage PeopleSoft
- Appropriate Time Commitment

- Justify Recommendations
- Minimize Customization
- Identify/Remove Barriers
- May Drive Policy/Statute Changes

ALL CFT DELIVERABLES ADDRESS AN OPTIMIZED VERMONT STATE WIDE SOLUTION

Business Process Optimization Steps

Part I: Processes and Players

Part II: Scope and Mapping

Part III: Measurements (Optional)

Part IV: Barriers to Realization of Future State

Part V: Documentation

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Process Improvement Opportunities

Module	BPO ID	Title	Area Impacted	BPO Recommendation	Implementation plan	Target Date	Responsibility	Status

Business Assessment – Planning & Analysis	Process Redesign & Process / Organization Alignment Implementation

Time & Labor

BPO ID	Title	Area Impacted	BPO Recommendation	Implementation plan	Target Date	Responsibility	Status
TL-A-20	Roles and Responsibilities - Time and Labor	Central Administration Time Approvers Payroll Contacts Managers	Develop and communicate the new roles and responsibilities for Time and Labor for Central Administration, managers/supervisors, and employees.	1. Identify the as-is Roles & Responsibilities for Time and Labor 2. Identify the to-be Roles & Responsibilities for Time and Labor 3. Review and confirm Roles & Responsibilities 4. Identify the differences between the as-is and the to-be 5. Document the to-be Roles & Responsibilities, and changes from as-is Roles & Responsibilities for communication and training 6. Approval from management on Roles & Responsibilities 7. Identify who needs to be notified of the changes 8. Create communication plan 9. Deliver communication 10. Verify completion Considerations: PS Security, Job Class changes Note: Public Works and the Sheriff Office will need R&R for managing the xml error management processes (both technical and functional)	1. June 3, 2009 - Completed 2. June 6, 2009 - Completed	1. OBF Payroll (Janet P., Jean H., or Pam K.?), CFT - Dept - Patty J will check with Janet and Jean on current EMPPAY/timecard R&R (include Nancy O.) 2. Nancy O. 3. Rachel G., Ron S. 4. BPO 5. Nancy O., BPO, CCT 6. Rachel for APEX 7. Nancy O. & Rachel for APEX, CFT - Dept Delegates for depts. 8. CCT, tbd, depends on the changes identified 9. CCT, tbd, depends on the changes identified 10. Juola,Heaver	1. Open 2. Open 3. Open 4. Open 5. Open 6. Open 7. Open 8. Open 9. Open 10. Open
TL-B-8	Training for Online Time Entry	All employees (except those using One Office and Work Force Director) Central Administration Payroll Contacts	Develop a training and communication plan for Time and Labor. Verify CCT training plan for additional clarification.	1. Include in ESS/MSS Curriculum Plan.	1. See project plan	1. CCT (Yeager, Gargano)	Open
TL-C-3	Approval delegation process for time	Central Administration Time Approvers: Payroll Contacts, Managers	Establish and communicate the approval delegation process in PeopleSoft.	1. Identify the to-be process for approval delegation process for time. 2. Ceate communication needs. - Work with RCN to gather backup approvers.	1. Completed 2. 9/30/09	1. Nancy O.,David Ramos, Steve Schmirler, BPO 2. Nancy, CCT	1. Complete 5/13/09 2. Open 3. Open 4. Open 5. Open 6. Open 7. Open
TL-D-9	Move to rules driven system.	Central Administration Time Approvers Payroll Contacts Managers Eligible Employees	Develop communication regarding how Time and Labor will process rules (e.g., overtime).	1. Document the to-be procedure 2. Create a communication plan 3. Verify completion How are we going to handle questions about how rules are applied in PS. Note: Contract negotiations start in July.	1. 7/15/2009	1. Osgood,Gargano,Yeager 2. Osgood,Gargano,Yeager 3. Juola, Heaver Brainstorm with Rachel: Rachel, Jill, Nancy, Patty	1. Open 2. Open 3. Open

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CFT Roles and Responsibilities

Role	Responsibilities
Project Directors	Provide active and visible support of project goals and objectives. Approve process changes and organizational alignment recommendations.
CFT Leader	Assumes an additional level of accountability for the operation, progress and results of the CFT. Assumes ownership and responsibility for project outcome. Is empowered as leader to keep team focused and on task.
CFT Member	Understand and is focused on the greater good approach and accepts statewide solutions that may be less than perfect within some departments. Works with the team to identify barriers and their root causes for ranking and removal. Develops action plans and drives them to completion.
Team Facilitator	Acts as a team consultant and resource. Advises and assists the CFT in: Maintaining focus and carrying out objective(s) Obtaining outside resources as appropriate
Technical Writer	Responsible for keeping BPO team and process documentation.

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Organizational Readiness

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Organizational Readiness

Organizational Readiness Vision:
The organization has adopted the new system

Organizational Readiness Mission:
Prepare leaders and users to accept and adapt the new way of doing business

Organizational Readiness Goals:
Lead Change, Communicate, and Train End Users

Lead Change
Engage leaders, identify change impacts, and manage resistance

Communicate
Create awareness, collect feedback, communicate change impacts

Train End Users
Train affected users to use the system as their job duties require

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Change Management

- Change Management Objectives
  - Assess the impacts the implementation will have throughout the organization
  - Create, implement, and manage a communication plan to create awareness, facilitate acceptance, and accelerate adoption of the ERP Expansion Project
  - Create a readiness coordinator network to create support for change
  - Create a resistance management plan to overcome potential roadblocks

- Key Components
  - Change Analysis
  - Change Leadership
  - Change Communication

- Change Management Strategy and Plan

Communication

- Communication Objectives
  - Support the overall project implementation plan
  - Engage the leadership team to be visible throughout the organization in support of the project and change management efforts
  - Lead the project team in creating, implementing, and managing a communication plan that supports the overall Organizational Readiness Plan
- Key Components
  - Approach
  - Analysis
  - Approval Process
  - Feedback Loop
  - Principles
- Communication Strategy and Plan

Training

- Training Objectives
  - Deliver job-oriented training
  - Emphasize skill retention between training attendance and when the system goes live
  - Create self-sufficient users
- Key Components
  - Planning for training
  - Preparing training materials and trainers
  - Delivering training to a critical mass of end users
  - Evaluating training materials and delivery
- Training Strategy

ERP Expansion Project

Team Roles and Responsibilities

Roles and Responsibilities

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Executive Sponsor	**Authority for the project**
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System Architects	**Infrastructure Assessment/Sizing Recommendation, Performance Test Plan**
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Organizational Readiness	**Organization preparation, communication, training**
Business Process	**Compiles a comprehensive and actionable list of process issues and barriers as well as process recommendations**
Subject Matter Experts (SME's)	**A subject matter expert (SME) is a person who is an expert in a particular area or topic.**

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Next Steps

Organizational Readiness Track

- Complete the Leadership and Goal Alignment tasks

Functional Track

- Training and requirements interviews

Business Process Improvement Track

- Determine Cross Functional Teams

Infrastructure Track

- Complete infrastructure assessment and get the environments running (DEMO/ Sandbox)

Application Upgrade Track

- Run Compare Reports

Development Track

- Train the technical team and setup the Methodology Took Kit (MTK)

Questions?

Questions?